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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*

Debtors.¹

Chapter 11

No. 18-23538 (RDD)

(Jointly Administered)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

LIMITED OBJECTION TO CURE AMOUNT NOTICES

Electrolux Home Products, Inc. (together, with its affiliates, “**Electrolux**”), by and through its undersigned counsel, submits this limited objection (the “**Limited Objection**”) to the *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* [Dkt. 1731] (the “**Cure Amount Notice**”) and the *Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* [Dkt. 1774] (the “**Supplemental Cure Amount Notice**”). In support of this Limited Objection, Electrolux states:

1. On October 15, 2018 (the “**Petition Date**”), the majority of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.² The Debtors remain in possession of their properties and continue to operate their businesses as debtors in possession. No trustee or examiner has been appointed in these cases.

2. On January 18, 2019, the Debtors filed the Cure Amount Notice. The Cure Amount Notice notifies certain of the Debtors’ contractual counterparties that their agreements with the Debtors might be assumed and assigned to the prospective purchaser of the Debtors’ assets. A schedule of such contracts is attached as Exhibit A to the Cure Amount Notice, which includes proposed cure amounts for each.

3. On January 23, 2019, the Debtors filed the Supplemental Cure Amount Notice, along with a schedule of additional agreements and proposed cure amounts.

² Debtors SHC Licensed Business LLC, SHC Promotions LLC, and SRe Holding Corporation filed their chapter 11 petitions on October 18, 2018, October 22, 2018, and January 7, 2019, respectively.

A. Alliance Agreement.

4. Prior to the Petition Date, Debtors Sears, Roebuck and Co. and Kmart Corporation, on the one hand, and Electrolux Major Appliances North America, a division of Electrolux Home Products, Inc., on the other, entered into an Alliance Agreement For Home Appliances (as amended, the “**Alliance Agreement**”) dated as of May 22, 2008. The Alliance Agreement serves as the master contract governing Electrolux’s relationship with the Debtors as a supplier of various home appliances. Since its inception, the Alliance Agreement has been amended nineteen times.

5. The Supplemental Cure Amount Notice lists the Alliance Agreement and its amendments as Contract Nos. 171-191, along with a proposed cure amount of \$33,561,803. Electrolux makes a limited objection to the proposed cure amount. Electrolux is in the process of reviewing and reconciling the thousands of invoices and payments relating to the Alliance Agreement so that it can confirm the precise amount owed to it under the Alliance Agreement. Electrolux is also investigating whether any of the merchandise giving rise to the proposed cure amount was delivered post-petition, in which case such claim should be paid as an administrative expense claim irrespective of whether the Alliance Agreement is ultimately assumed and assigned. Electrolux expects to complete its review within the next ten days, following which Electrolux will supplement this Limited Objection, if needed.

B. OEM Parts Agreement.

6. The Cure Amount Notice lists, as Contract No. 2663, a purported undated agreement between Sears Holding Corporation and Sears Roebuck and Co., on the one hand, and “EMA/Frigidaire,” on the other, described by the Debtors as “OEM Part Suppliers.” Electrolux is not aware of any such agreement with the Debtors, and has requested a copy.

7. To the best of Electrolux’s knowledge, all parts-related obligations are governed by the Alliance Agreement. To the extent this description refers to the Alliance Agreement,

Electrolux incorporates its limited objection set forth above. To the extent this description refers to some other agreement, Electrolux objects to the proposed cure amount until such time as it is provided with a copy of the agreement and can evaluate what cure amount, if any, is associated with the agreement.

C. A&E Factory Service Agreement.

8. Finally, the Cure Amount Notice lists, as Contract No. 2502, an agreement between Debtor A&E Factory Services, LLC (“**A&E**”) and Electrolux, dated as of February 16, 2015. The Cure Amount Notice does not include a title for this agreement. Similarly, the Supplemental Cure Amount Notice lists, as Contract No. 192, a “Third Amendment to Service Agreement”, by and between A&E and Electrolux, also dated as of February 16, 2015.

9. Electrolux believes these descriptions may refer to the Frigidaire Electric Range Repair Service Agreement (the “**A&E Service Agreement**”), which Electrolux and A&E entered into as of July 30, 2009. Electrolux is not aware of any February 16, 2015 agreement with A&E, and has asked the Debtors to provide a copy of the February 16, 2015 agreement. To the extent this description refers to an agreement other than the A&E Service Agreement and any amendments thereto, Electrolux objects to the proposed cure amount until such time as it is provided with a copy of the agreement and can evaluate what cure amount, if any, is associated with the agreement.

10. Nothing in this Limited Objection should be construed as a waiver of any right Electrolux may have under its agreements with the Debtors, or otherwise. Electrolux reserves the right to amend or supplement this Limited Objection at any time.

Dated: January 31, 2018

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify, pursuant to 28 U.S.C. §1746, that on January 31, 2019, I caused a true and correct copy of the foregoing Limited Objection to be sent to each of the persons named on the attached Service List, by email (unless otherwise stated).

/s/ Vincent E. Lazar

SERVICE LIST

BID NOTICE PARTIES

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